Increase in the prices of drugs

3605. SHRI J. S. RAJU: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that his Ministry are allowing increases in prices on the basis of considerations from drug companies ignoring the consumer interest;

(b) what is the justification in allowing increases in respect of Terramycin Skin Ointment, Corex Syrup, R-Cin 600mg. Capsules, Resochin Tablets, Hostocycline Caps 250mg., Adoxlin Caps, Aquasol-A, Chloramphenicol Caps 250mg., Althrocin Tabls, Alcyclin Capsules, Ambistryn-S 1 gm., Bistrepan etc.

(c) What was the price of each before DPCO, 1987 and what is the present price and what is the percentage increase in each case;

(d) whether it is a fact that his Ministry have allowed *suo moto* increases in finished medicines; and

(e) if so, the names of products where *suo moto* increases were allowed during last two years and percentage increase in each case?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) No, Sir.

(b) In a situation of rising cost of inputs, increase in the price is inevitable if the availability of these items has to be ensured. As far as medicines under price control are concerned, Government is fixing/revising the prices as per the provisions of the Drug (Prices Control) Order, 1987 (DPCO) after careful scrutiny and in consultation with the Bureau of Industrial Costs and prices.

(c) To the extent available information is given in the Annexure [See Appendix CLXV, Annexure No. 58].

(d) and (e) After the Exchange Rate adjustment of rupee against major foreign currencies in July, 1991, Government had revised the prices of 55 bulk drugs to compensate the manufacturers for the increase in input costs. Prices of ceiling packs of formulations based on those drugs were also revised on *suo moto* basis, the details of which are published in Extra-Ordinary Gazette Notification, copies of which are available in Parliament Library.

Increase in prices of Scheduled/Non-Scheduled medicines

3606. SHRI J. S. RAJU: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that Government approve the prices of price controlled medicines and monitor the prices of price decontrol medicines;

(b) whether it is also a fact that in both cases, the companies are providing full data in respect of Material Cost and MAPE;

(c) if so, what are the names of both Scheduled and Non-Scheduled medicines where prices have increased more than 100 per cent after the announcement of DPCO, 1987;

(d) whether it is a fact that Monitoring Cell is not effective and not even scruitinizing the break-up; and

(e) if not, what are the names of products where price reduction of more than 10 per cent effected due to their intervention during last two years?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) Yes, Sir. Monitoring of prices of price decontrolled medicines are done to the extent possible.

(b) In case of scheduled medicines the company provides necessary data in respect of material cost as per prescribed From under DPCO' 87. MAPE is claimed/adopted at prescribed percentages. In case of non-scheduled medicines the companies are required to furnish these details in Form 2A/3A.

(c) Time and labour involved in

compiling this information would not be commensurate with the results likely to be achieved. However, it is stated that prices of Scheduled medicines are fixed in accordance with the provisions of DPCO, 1987 after careful scrutiny of the recommendations of BICP, an expert Government body on Industrial Costs and Prices. This mechanism ensures that the increase in prices is corelated with the actual increase in the input costs.

In case of non-scheduled medicines, on the basis of a sample, analysis, it has been found that in 12-13% cases the prices have recorded an increase of more than 100% over their prices prevailing at the time of announcement of DPCO, 1987.

(d) No; Sir. However, monitoring is done to the extent possible.

(e) A statement is enclosed. However, in view of profitability of the pharmaceutical units being generally below the levels prescribed in Scheduled V of DPCO, 87, Government's ability to intervene in pricing of non-scheduled formulations gets sewhat restricticted.

Statement

Sl. No.	Name of the Company	Name of the formulation	Pack size	Price fixed by the Company	Reduced Price	Effective%	Decrease
1	2	3	4	5	6	7	8
1.	ALEMBIC	Pethidine Inj.	2ml×10 Amp.	37.54	33.00	30.11.90	12.09
2.	ALEMBIC	Morphine Inj.	1ml×12 Amp.	37.04	29.00	30.11.90	21.71
3.	INDO-PHARMA	Carbindra Strong Tabs	100's	40.00	35.00	26.3.91	12.50
4.	SERDIA PHARMA	Natrilin	100's	39.62	32.07	16.12.91	19.05
5.	SERDIA PHARMA	Ponderan 60mg.	10's	68.73	61.16	16.12.91	11.01
6.	HINDUSTAN CIBA-GEIGY	Deoferal Inj.	5 vials	410.00	290.00	01.03.92	29.27

Survey On Fertilizer Corporation of India

3607. SHRI RAM RATAN RAM:
DR. NAUNIHAL SINGH:
DR. MURLI MANOHAR JOSHI:
SHRI S.K.T. RAMA-CHANDRAN:

Will the PRIME MINISTER be pleased to state:

(a) what is the accumulated loss of the Fertilizer Corporation of India as on March 31, 1992;

(b) what is the loss incurred or profit gained by the Corporation during 1991-92 and the first six months of 1992-93;

(c) what steps have been taken by Government to make the Fertilizer Corporation of India a viable and profit making undertaking;

(d) whether any survey has been made on the sickness of the Corporation; and if so, what are the findings;

(e) what are the month-wise production of urea and other chemical fertilizers in each of the unit of the Corporation in 1992; and

(f) whether the Talcher and Ramagundam units have shown any profitable trend?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) and (b) The accumulated loss of the Fertilizer Corporation of India (FCI) as on 31st March, 1992 was Rs. 1610.78 crores. After adjustment for prior period, the company incurred a net loss of Rs. 225.41 crores during the year 1991-92. The loss for the first six months of 1992-93 is estimated at Rs. 161.76 crores.

(c) and (d) Based on regular